

GROOM LAW GROUP

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September 16, 2005

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* ADMITTED ONLY IN WASHINGTON STATE, SUPERVISION BY PRINCIPALS
OF THE FIRM, MEMBERS OF THE DC BAR

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PRINCIPALS OF THE FIRM, MEMBERS OF THE DC BAR

Beth Sax, Esq.
Assistant General Counsel, Labor
Delphi Corp.
5825 Delphi Dr.
Troy, MI 48098

Re: Engagement of Groom Law Group, Chartered

Dear Beth:

We are pleased that you have given us the opportunity to provide legal services to Delphi Corp. (the "Company"). This letter describes our understanding of the services contemplated and describes the basis for our fees and other terms of our representation.

1. Scope of Services. You have asked us to assist the Company on issues involving the Company's employee benefit plans.

We may also agree to assist you with additional employee benefit related matters that you refer to us and this letter will apply to services we provide in connection with those additional matters.

2. Staffing and Responsibilities. I will be the attorney primarily responsible for the representation. Other firm attorneys also will be involved in providing legal services to the Company. In this regard, one of our firm's strengths is our attorneys' depth of experience in employee benefits matters; we may hold internal conferences with other firm attorneys who have relevant expertise from time to time in the course of providing services. We believe this approach improves our ability to provide quality legal services in an efficient, economical matter.

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Paralegals, who are not attorneys but are experienced in the preparation of documents and the completion of various tasks, may also be involved in providing services to the Company.

We will provide legal counsel and assistance to you in accordance with this letter, keep you reasonably informed of progress and developments, and respond to your inquiries. We will rely on you to fully and accurately disclose to us all relevant facts, to keep us apprised of any developments relating to the matter, and to assist and cooperate with us as appropriate in providing services to the Company.

Our clients often expect us to communicate electronically with them or with outside parties during the course of our representation. While e-mail is a fast and convenient way to communicate, e-mail travels over the public Internet, which is not a secure means of communication. This means that confidentiality could be compromised. Unless you direct us to not communicate electronically, you agree that we may use e-mail and other electronic methods to transmit and receive information, including confidential information, in communications with you and with other parties in connection with our services.

3. Fees and Billings. Our billing rates are based on various factors, which include years of experience, specialization in training and practice, level of professional attainment, and type of representation. Our preferred attorney billing rates range from \$285 to \$530 per hour. My preferred billing rate is \$460. For debtor representation in bankruptcy cases, we bill at our standard hourly rates discounted by 10%. Our standard hourly rates range from \$285 to \$695. My standard hourly rate is \$535 per hour. The hourly rate multiplied by the time spent on the Company's behalf, measured in tenths of an hour (less the 10% discount, if applicable) will be the basis for determining our fees. Our billing rates typically are adjusted each January.

Our bills include reimbursement of expenses at cost incurred in connection with our services. Our expenses may include photocopying, postage, messenger/delivery service, travel (including mileage, parking, coach airfare, lodging, meals and ground transportation), long distance telephone, computer aided research, court costs, court reporter and filing fees, administrative filing fees, overtime secretarial services,

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deposition expenses, expert and consultant fees, and any other reasonable expenses incurred.

Unless other arrangements are made, we will send you monthly statements indicating our fees and expenses incurred in providing services to you and the current status of your account. Our statements include a detailed description of work performed, fees, expenses and disbursements for the month. All statements are, of course, subject to your verification of the services and amounts indicated thereon.

You agree to advance \$50,000 with us for the fees and the disbursements and other charges in connection with our representation. This amount will be held in our general account and will be applied by us against our fees as services are performed, subject to your review upon receipt of our monthly statement. You must replenish the advance upon receipt of our monthly statement unless we agree otherwise. If it appears that our fees and charges will exceed your advance, we may request a further deposit and, if the additional deposit is not promptly paid, we reserve the right to stop work and withdraw from this engagement.

4. Other Matters. We represent many other companies and individuals with respect to various legal matters. It is possible that, during the time we are representing the Company, one of our current or future clients may have transactions or disputes with the Company. For example, we represent financial institutions or other service providers who may provide services to you. You agree that we may continue to represent, or undertake in the future to represent, our current or future clients in any matter, including litigation, even if the interests of such other clients in these other matters are directly adverse to the Company, so long as those matters are not substantially related to our work for the Company.

In addition, as noted, you have asked us to represent the Company in its capacity as "settlor" to the plan, and not in its capacity as fiduciary for the plan. To the extent that our services are for the benefit of the Company acting as settlor, our fees generally may not be paid from plan assets. If requested, we will also provide services for the Company as fiduciary. In that event, it is possible for a conflict of positions to develop that could affect our representation of the Company as settlor or as fiduciary, or both.

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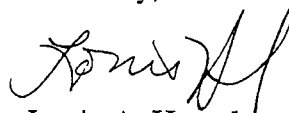
Further, if we jointly represent the plan sponsor and fiduciary in a specific matter, we may have a duty to disclose information we receive from one to the other. Also, some courts have adopted a "plan exception" to the attorney-client privilege under which the privilege may not protect some communications between legal counsel and a plan sponsor from discovery by plan participants and beneficiaries in litigation, to the extent the plan sponsor was acting as a fiduciary. In an effort to address these potential issues, we generally will treat each matter referred to us during this engagement as a representation of the plan sponsor, unless you indicate that a specific matter should be treated as joint representation of the plan sponsor and fiduciary or of the fiduciary alone.

* * * * *

If you agree to the terms of our representation as described by this letter, please confirm your acceptance by signing below and returning this letter, with your retainer to Michelle Walsh at Groom Law Group, Chartered, 1701 Pennsylvania Ave. N.W., Suite 1200, Washington, DC 20006. If this letter is not signed and returned, you will be obligated to pay us the reasonable value of any services we may have performed on your behalf. Upon your acceptance, this letter applies retroactively to the date we first performed services for you.

We are pleased to have this opportunity to be of service and to work with you. Please contact me anytime during the course of this representation if you have questions about our services, staffing, billings or other aspects of our representation. My direct telephone number is (202) 861-6634.

Sincerely,


Lonie A. Hassel

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On behalf of Delphi Corp., I agree to the terms and conditions set forth in this letter.

By: M. Beth Sax
Title: Assistant General Counsel
19 day of September, 2005